

3. Equipment replacement for a system including the following paths (Path Nns. 1, 2, 3, 4, 5, 6, 9, 10, 11, and 12) shall be provided by STV/GTE to Puget Power on a turnkey basis according to Puget Power's specifications.

Capacity:

Path			Capacity
1	White River	Covington	12 T1
2	Oak Harbor	Mt. Erie	12 T1
3	Upper Baker	Lower Baker	8 T1
4	ESO	Cougar Mtn	1 DS3
5	Mt. Erie	Lookout Mtn	1 DS3
6	Lookout Mtn	Bellingham	1 DS3
9	Mt. Erie	Lower Baker	8 T1
10	Mt. Erie	Whitcomb	12 T1
11	Mt. Erie	Sedro Woolley	12 T1
12	Mt. Erie	Cougar Mtn	2 DS3

Channel Banks:

Digital channel banks shall be furnished and installed according to Puget's specifications at the following locations. Puget shall also specify the equipment vendor.

Oak Harbor	Upper Baker
ESO	Mt. Erie
Bellingham	Lower Baker
Sedro Woolley	Cougar Mtn

Puget will not require that STV/GTE provide DACS equipment.

Spares:

Spares shall be furnished according to Puget's specifications.

Physical Plant:

Modifications to battery plant, towers, and passive reflector alignments necessary to accommodate the requirements of the new equipment shall be made according to Puget's specifications.

Microwave Equipment Vendor:

The microwave equipment vendor shall be Harris-Farmon.

Microwave Equipment Vendor (cont'd):

The active repeater at Lookout Mountain shall be provided by Peninsula Wireless.

Antenna and Waveguide Vendor:

The antenna and waveguide vendor shall be Andrew.

4. Puget Power shall have final approval of all engineering designs and installation procedures, and final inspection and approval of all installations.
 5. The one-year post construction test period shall not be waived for the replacement system for the 10 paths referenced in Section 3.
 6. Conversion to the new systems on the 10 paths referenced in Section 3 shall not occur prior to December 1, 1996.
- Full performance testing on Path No. 9 (Mt. Erie - Lower Baker) and Path No. 12 (Mt. Erie - Cougar Mountain) shall be satisfactorily completed during the entire August 1 to September 30 time period; these paths will not be cleared by Puget Power prior to December 1 of the year in which satisfactory path tests are completed.
- Furthermore, Path No. 12 shall be cleared before any of the other paths referenced in Section 3 can be cleared.

7. Although it is intended that this letter is a binding commitment for Puget Power to vacate certain frequencies in exchange for cash and certain turnkey installations, the parties hereto shall enter into a definitive agreement containing terms and conditions consistent with this letter. In the event that the parties do not enter into a definitive agreement within thirty days after the acceptance of this letter, then Puget Power (in its sole discretion) and within thirty days after the acceptance of this letter, then Puget Power shall have the option to terminate this letter and all of its obligations hereunder. Each party shall act in good faith in negotiating the definitive agreement.

Each party agrees that any information it acquires from the other in connection with this letter, other than information which is publicly available, will be kept confidential and will not be disclosed to any other party or used for any purpose except the consummation of the transaction contemplated herein.

This proposal is effective upon delivery to STV/GTE and shall remain in effect for fifteen (15) calendar days thereafter, unless otherwise modified or withdrawn.

Kindly acknowledge your acceptance of the terms and conditions of this letter as set forth above by executing the enclosed copy of this letter in the spaces provided below and returning the executed letter to me.

If you have any questions, please contact me at (206) 882-4455 or Jerry Egashira at (206) 882-4415.

Sincerely,



Ranjan Bhagat,
Manager,
Telecommunications Engineering

cc: Ron Bailey
Mike Hunter
Jerry Egashira

Agreed and Accepted by: _____ Date: _____
Sprint Telecommunications Venture

Agreed and Accepted by: _____ Date: _____
GTE MobilNet

Agreed and Accepted by: _____ Date: _____
Puget Sound Power & Light Company



Vento Communications, Inc.

February 7, 1996

Mr. Ranjan Bhagat
Manager - Telecommunications Engineering
Puget Sound Power & Light Company
13635 NE 80th Street
Redmond, WA 98052-4498

RE: Puget Sound 2 GHz Microwave Relocation

Dear Mr. Bhagat:

This letter is a follow up to our discussions regarding the relocation of certain Puget Sound Power & Light Company's (PSPL) 2 GHz microwave paths by Sprint Telecommunications Venture (STV) and GTE Mobilnet (GTE). As requested by PSPL, STV and GTE and their authorized representatives, VCI and HN TELECOM, have been working with your staff to provide PSPL with a unified and comprehensive approach to relocate twelve (12) licensed 1.9 GHz paths currently operating in the PCS licensed A, B, and C blocks in the Seattle MTA. After extensive review of your existing network and your future plans, as well as several discussions with your staff and sites visits, STV/GTE are jointly submitting the following proposal to PSPL.

General:

STV and GTE propose a cash buyout for twelve (12) PSPL microwave paths operating in the PCS A, B, and C block frequencies listed below for a combined total of \$2,200,000.00 (Two million two hundred thousands, US dollars). In exchange, PSPL will cease operations of its facilities in the listed microwave paths by the dates shown. Details of this agreement are provided below.

PSPL's 2 GHz Microwave Paths:

The following 2 GHz microwave paths licensed to PSPL will be relocated and decommissioned in accordance with each party's obligations as described.

1110 N. Glebe Road, Suite 850 • Arlington, VA 22201 • Office: 703-741-1300 • Fax: 703-812-8700

<u>Path #</u>	<u>FCC Call Sign 1</u>	<u>Frequency (MHz)</u>	<u>FCC Call Sign 2</u>	<u>Frequency (MHz)</u>	
1	KEY31	1940	KYP29	1860	White River to ...
2	WDC47	1865	WNER541	1945	... to ...
3	KPD79	1945	KPD80	1865	Baker to ...
4	KOW42	1955	KOW41	1855	ECG to ...
5	WNER541	1955	WNEK417	1855	Lookout to ... ✓
6	WNEK417	1955	WNEK418	1855	Dr. ... to ...
7	WNEH712	1885	WNEF853	1965	B. ... to ... ✓
8	WEF234	1960	KRN47	1880	... to ... ✓
9	WNER541	1965	KPD80	1885	Baker to ... ✓
10	WNER541	1970	KVF40	1870	White River to ...
11	WNER541	1985	KVF41	1905	Sedco to ...
12	WNER541	1975	KOW41	1915	... to ...

STV/GTE's Obligations:

STV/GTE agree to pay to PSPL a combined total payment of \$1,900,000.00 (One million nine hundred thousands, U.S. dollars) to be paid in four (4) installments as follows:

- 1.) Not later than thirty (30) calendar days after the effective date of the final agreement, STV/GTE shall pay to PSPL, the sum of \$550,000.00 (Five hundred fifty thousands, U.S. dollars).
- 2.) Not later than thirty (30) calendar days after PSPL's satisfaction of the conditions set forth below in paragraph A, STV/GTE shall pay to PSPL an additional sum of \$550,000.00 (Five hundred fifty thousands, U.S. dollars).
- 3.) Not later than thirty (30) calendar days after PSPL's satisfaction of the conditions set forth below in paragraph B, and no earlier than January 31, 1997, STV/GTE shall pay to PSPL an additional sum of \$550,000.00 (Five hundred fifty thousands, U.S. dollars).
- 4.) Not later than thirty (30) calendar days after PSPL's satisfaction of the conditions set forth below in paragraph C, STV/GTE shall pay to PSPL an additional sum of \$550,000.00 (Five hundred fifty thousands, U.S. dollars).
- 5.) Each payment by STV/GTE shall be effected by wire transfer of immediately available funds to an account designated by PSPL.

PSPL's Obligations:

A. PSPL shall, by July 1, 1996, satisfy the following conditions:

- 1) Cease telecommunications operations in the licensed frequencies on Paths No. 1 (Call Signs KEY31 to KYP29), No.2 (Call Signs WDC47 to WNER541), No.4 (Call Signs KOW41 to KOW42), No.5 (Call Signs WNER541 to WNEK417), No.7 (Call Signs WNEH712 to WNEF853), No. 8 (Call Signs WEF234 to KRN47), No. 9 (Call Signs WNER541 to KPD80), and No. 11 (Call Signs WNER541 to KVF41) referenced above, and forfeit, to the FCC, PSPL's authority to operate in the licensed frequencies in these paths.
- 2) Submit applications to the FCC to cancel PSPL's authorization for the licensed frequencies of Paths No. 1 (Call Signs KEY31 to KYP29), No.2 (Call Signs WDC47 to WNER541), No.4 (Call Signs KOW41 to KOW42), No.5 (Call Signs WNER541 to WNEK417), No.7 (Call Signs WNEH712 to WNEF853), No. 8 (Call Signs WEF234 to KRN47), No. 9 (Call Signs WNER541 to KPD80), and No. 11 (Call Signs WNER541 to KVF41) and provide STV/GTE with copies of its Form 402 filing and proof of receipt by the FCC.
- 3) Prepare, execute and submit to the FCC, a waiver document relinquishing any claim to a one year post construction test period, referred to in FCC Docket 92-9, in connection with the frequencies Paths No. 1 (Call Signs KEY31 to KYP29), No.2 (Call Signs WDC47 to WNER541), No.4 (Call Signs KOW41 to KOW42), No.5 (Call Signs WNER541 to WNEK417), No.7 (Call Signs WNEH712 to WNEF853), No. 8 (Call Signs WEF234 to KRN47), No. 9 (Call Signs WNER541 to KPD80), and No. 11 (Call Signs WNER541 to KVF41) and provide a copy of such executed document to STV/GTE.

B. PSPL shall, by January 31, 1997, satisfy the following conditions:

- 1) Cease telecommunications operations in the licensed frequencies on Path No.10 (Call Signs WNER541 to KVF40) referenced above, and forfeit, to the FCC, PSPL's authority to operate in the licensed frequencies in this path.
- 2) Submit applications to the FCC to cancel PSPL's authorization for the licensed frequencies of Path No.10 (Call Signs WNER541 to KVF40) and provide STV/GTE with copies of its Form 402 filing and proof of receipt by the FCC.
- 3) Prepare, execute and submit to the FCC, a waiver document relinquishing any claim to a one year post construction test period, referred to in FCC Docket 92-9, in connection with the frequencies of Path No.10 (Call Signs WNER541 to KVF40) and provide a copy of such executed document to STV/GTE.

- C. PSPL shall, within three hundred sixty (360) calendar days of the effective date of the final agreement, satisfy the following conditions:
- 1) Cease telecommunications operations in the licensed frequencies on all remaining paths listed above, and forfeit, to the FCC, PSPL's authority to operate in the licensed frequencies of these paths;
 - 2) Submit applications to the FCC to cancel PSPL's authorization for the licensed frequencies of all remaining paths listed above and provide STV/GTE with copies of its Form 402 filing and proof of receipt by the FCC; and
 - 3) Prepare, execute and submit to the FCC, a waiver document relinquishing any claim to a one year post construction test period, referred to in FCC Docket 92-9, in connection with the frequencies of the above referenced paths and provide a copy of such executed document to STV/GTE.
- D. PSPL shall, after payment has been made for satisfactions of conditions listed in paragraph A, and prior to the expiration of the three hundred sixty (360) day time period, allow STV and GTE to operate on cochannel frequencies with PSPL on the frequencies specified above. Such operation by STV and GTE on these frequencies will only be initiated by STV and GTE after prior coordination notice has been provided to PSPL with respect to those microwave links still in operation.
- E. PSPL shall, within fifteen (15) calendar days of receipt of the Final Agreement, sign and execute such agreement and return a copy of the executed Final Agreement, via certified mail, to STV/GTE.
- F. PSPL agrees to a penalty in the amount of \$50,000.00 (Fifty thousands, US dollars) per month for every month that PSPL does not comply with the conditions set forth under its obligations. Such amount shall be pro-rated for periods of less than one month.

This proposal is effective upon delivery to PSPL, and shall remain in effect for fifteen (15) calendar days thereafter, unless otherwise modified or withdrawn. Upon acceptance by PSPL, this proposal shall remain in effect until superseded by the definitive agreement or other similar agreement.

This proposal is not intended to be a legally-binding agreement or a substitute for a definitive agreement setting forth the terms of the PSPL's relocation, removal and other rearrangement of its 2 GHz microwave system. All parties will be bound only if and when a final Agreement is signed and delivered.

Mr. Ranjan Bhagat
Puget Sound Power & Light

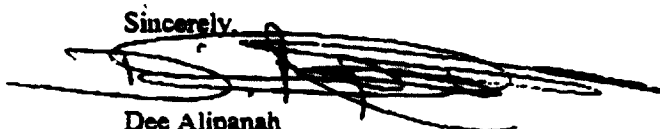
Page 5

February 7, 1996

In considering and reviewing this proposal, please note that it is fully subject to the confidentiality obligations set out in any non-disclosure agreements signed earlier between parties.

If this proposal is acceptable, please sign and return an original of this letter to me. Upon receiving PSPL's concurrence to this proposal, STV/GTE will proceed with drafting the final agreement and the first payment to PSPL. Meanwhile, if you have any questions or need additional information, please call me at (703) 741-3694.

Sincerely,



Dee Alipanah
Vice President - VCI

cc: Mr. Don Mueller - Sprint Telecommunications Venture
Mr. John Woodward - GTE Mobilnet
Mr. F. John Arnold - HN TELECOM

Authorized by: _____
Sprint Telecommunications Venture

Date: _____

Authorized by: _____
GTE Mobilnet

Date: _____

Accepted by: _____
Puget Sound Power & Light Company

Date: _____

Microwave Relocation - Bad Actor Form

2/21/96

Incumbent Name **Williams Wireless, Inc. (WWI)**

Market / MTA

New York, Dallas, Philadelphia, Baltimore, Atlanta
New Orleans, Denver, Louisville, Birmingham, San Antonio
Nashville, Omaha, Wichita

Market freq. block:

1B, 7B, 9B, 10A, 17A, 22A, 26B, 29A, 33A, 43A, 45B, 46B

Number of paths required for initial system: 7
Estimated comparable cost per path: \$200,000
Total estimated comparable cost: \$1,400,000

Number of paths requested by incumbent for relo: 48.7

A paths: 17
B paths: 21
C - F paths: 10.7 (pro-rated)
Non PCS paths:

Per path cost requested by the incumbent: \$450,000 (A/B)

Additional payments requested by the incumbent: \$400,000 (C-F)

Total requested relocation cost by the incumbent: \$21,380,000

Chain of events:

Date	Action
11/7/95	STV receives a Coordinated PCS Relocation Plan, total cost for relo of STV paths = \$21,915,000
12/13/95	STV counter offers with \$9,265,046. Offer based on comparable 2GHz digital radios
12/14/95	Jim Cunningham of WWI sends letter allowing PCS licensees to collectively coordinate a relocation plan
1/2/96	WWI responds to STV counter-proposal dated 12/13/95. keeps price per 'A/B' path at \$450,00, lowers 'C-F' paths to \$400,000
1/8/96	Fax sent to Jon Chambers outlining WWI demands
1/23/96	STV hosts a meeting to formulate a coordinated relocation proposal attended by all PCS Licensees impacted by WWI
2/7/96	STV submits a draft WWI proposal to PCS Licensees for comments. Draft outlines \$35,750,012 offer based on criteria from 1/23/96 meeting

Additional Comments:

2/7/96 draft requests PCS Licensees to respond with comments by 2/19/96 and proposes a follow-up meeting 2/26/96.
WWI requests free off-peak PCS service as part of relocation agreement.

COORDINATED PCS RELOCATION PLAN
November 7, 1995

This Proposal is being presented by Williams Wireless, Inc. to the following PCS licensees:

	% of Total A and B Links
Sprint Telecommunications Ventures (WirelessCo)	39%
AT&T Wireless PCS	17%
PowerTel PCS Partners	13%
American Portable Telecommunications	10%
PCS PrimeCo, L.P.	9%
Omnipoint	3%
SouthWestern Bell Mobile	4%
GTE Macro Communications	3%
BellSouth Personal Communications	1%
PhillieCo, L.P.	1% -

1. Description of Williams Wireless, Inc.

Williams Wireless, Inc. (WWI) is a wholly owned subsidiary of The Williams Companies, Inc. (TWC), Tulsa, Oklahoma. The Williams Companies owns Transcontinental Gas Pipeline Company (Transco), Texas Gas Transmission Company (Texas Gas) and Williams Natural Gas (WNG) company, among other companies. Williams Wireless owns the 2 Ghz analog microwave system which operates along these pipeline systems.

2. An overview of frequencies, operations and locations

WWI's four thousand mile 2 GHz microwave backbone is operated by WNG, Texas Gas, and Transco. It consists of 132 microwave links, all of which operate in either the 'A', 'B' or 'C' frequency blocks. WWI recently vacated, by agreement with APC, the 2 GHZ band for 4 of these links, leaving 128 links remaining to be cleared.

Of these 128 links:

- 54 links are in the 'A' Block,
- 44 links are in the 'B' block,
- 30 links are in the 'C' block,
- in 39 links, one of the 'A' or 'C' paths also operates in the U block.
- in 39 links, one of the 'A' or 'B' paths also operates in the D or E block.
- 50 spurs operate in the 2.1 GHz band not under consideration at this time.

WWI's microwave system controls the operation of TWC's natural gas pipelines. Gas pressures and flow volumes are monitored and controlled by data transmissions at hundreds of points along the microwave system. In most cases, no other communication source is available. In addition, voice communications over the system is used to coordinate extensive pipeline control operations.

The Transco pipeline extends from San Antonio to New York City. Its portion of Williams Wireless' microwave system passes through the gulf states and up the east coast. Texas Gas' pipeline runs north from New Orleans into Indiana. WNG's system operates throughout Oklahoma, Kansas and Missouri, with one segment extending into Wyoming. A summary map is attached.

Today, this network is extremely reliable. In our communications designs, we assume that even a brief interruption in communications could lead to a loss of control of critical pipeline pressures and flow volumes which is unacceptable because of safety and service reliability concerns.

3. Why we need a Coordinated Relocation Plan

FCC regulations state that PCS licensees must compensate Williams Wireless for relocating all links affected by PCS operations. It is inevitable that a sizable number of links in our microwave backbone will be affected as you deploy your PCS system. Recognizing your responsibilities to us as a primary license holder, many of you have already contacted us and shared your needs and desired schedule for band clearing. In response to these discussions we want you to know that we are willing to accomplish this relocation as expeditiously as possible and for a reasonable cost in view of its impact on our pipeline operations and our business plans.

Our concern is the timing and coordination of replacement. We are confronted with conflicting priorities and schedules which result from dealing with ten separate PCS licensees in the 'A' and 'B' blocks. Exacerbating this problem is the late entry of the 'C' block licensees who we imagine will have an even greater range of interests, priorities and schedules. Of further concern to us, it appears many licensees want to do link-by-link replacement, to be performed over an extended period of time. In response to this, our position is that a lengthy, piecemeal and uncoordinated relocation process could pose significant safety risk to our employees, customers and adjacent land owners. This is something we can not allow to happen. Thus, while we want to clear the band in the areas that affect you the most, we want to go one step farther and clear the band along our entire microwave system immediately at one time. To accommodate both our needs, we have determined that it is necessary to develop a coordinated total relocation plan for consideration by all PCS licensees who impact our system.

4. The problems caused by a lengthy, piecemeal and uncoordinated relocation process

The FCC, in recent meetings, confirmed that PCS licensees must deal fairly with incumbents with large national microwave systems, such as ours, to keep the integrity of the whole system intact. In fact, the FCC justified cost-sharing between PCS licensees on the basis of the possible need to do full system replacements before all affected licensees had been identified.

A selected link-by-link replacement raises many technical and operational concerns for us. We anticipate that communication failures will increase noticeably if a piecemeal replacement approach is followed. In a microwave network as large and complex as WWM's, if multiple technologies, different frequency links, dissimilar vendor equipment and disparate test devices are employed in the same system it creates an overly complex mosaic of hybrid technology which will increase points of failure and decrease reliability and operability of the system. We are also concerned that an extended link by link replacement process will continuously destabilize the integrity of the network, reduce its manageability, impair throughput and increase operational cost.

Since any communication system failure could pose serious safety risks, our responsibilities to our customers, employees and adjacent land owners preclude us from taking any course of action that could decrease the integrity and high reliability of our network in any way. Our pipeline communication systems have enabled us to develop a long history of safe and reliable transportation of natural gas throughout the country. To maintain the safety of the existing system while creating a new, equally safe system, we must perform the relocation of the entire system at one time and in the most coordinated and manageable manner possible. We think the plan presented here avoids the concerns we have outlined while meeting your requirements for band clearing.

5. Terms of our proposed Coordinated Relocation Plan

We believe our proposed Coordinated Relocation Plan avoids the operational hazards resulting from a lengthy piecemeal replacement approach. Under this plan, we intend to relocate the entire 128 link microwave system at one time, as a single unit. We will keep the existing 2 GHz system intact while we build, parallel test, and stabilize the replacement network. Our replacement system will be either digital microwave or fiber optics. The replacement system will be built in its entirety and thoroughly tested before we shut down any one link in the 2 GHz network. We can not begin the project until a coordinated agreement is complete with all PCS licensees. Once we can reach a reimbursement with licensees, we are willing to begin our replacement project as soon as possible.

We would like to negotiate a "cash and capacity" settlement with all licensees. We will assume responsibility for engineering and building our own replacement system. The cash settlement gives us the flexibility to meet our communications requirements in our own way and frees your engineering resources to concentrate on building your own infrastructure. As an added benefit to you, we are willing to waive our rights to be re-relocated back to the 2 GHz band within 12 months after replacement if our alternative facilities prove to be inadequate. As an incentive to move quickly, we are requesting off-peak capacity on your networks. We intend to develop non-real time data gathering systems which will operate from midnight to 5 am. In addition, we would like to have most favored customer status for day time usage.

We are confident that, if we can conclude negotiations for all links before the end of the year, we can vacate the band used along Transco's and Texas Gas' pipelines before the end of 1996 and the band used by WNG in early 1997. In our discussions with several licensees, it appears that this time frame would fit the initial in-service schedules for most of you. This schedule assumes we have concluded reimbursement agreements with all ten PCS licenses before the end of 1995.

We have proposed a price to you in an attachment. This price is based on an average link replacement cost derived from the full cost of replacing our communication systems. It is the lowest possible price we can offer which allows for the lowest risk to us in relocation. In view of the impact this project has on our company, and our willingness to move quickly, we believe it is a reasonable price. I wish to emphasize that we are seeking reimbursement sufficient to replace all links in the 'A', 'B' and 'C' blocks before we begin to rebuild our system. We do not intend for our shareholders or our ratepayers to pay for any part of the replacement.

In a related manner, we do not believe it is fair that any PCS licensee be asked to provide a free-ride to any other PCS licensee, in particular the unidentified 'C' licensees. So, we are proposing an element in our plan that will encourage cooperation with all licensees to insure that everyone pays their fair share and only their fair share. This relates directly to the 30 links in the 'C' block. We must include reimbursement for those links in our final compensation agreement before we can begin the relocation of our system. The 'C' licensees, of course, will not be identified until the auctions in December, and may not be ready to become part of the negotiations for months. If we wait to begin our system replacement until after the 'C' licensees are ready, we will be unable to clear the band in the time frame you may desire. Our plan for bridging this obstacle is outlined in the next section.

6. Proceeding with full system replacement before all licensees are included in the Plan

We are willing to start our replacement project even before all effected PCS licensees agree to participate in our Plan, but only if a mechanism is established which assures us of eventual reimbursement. Assurance is needed for the 'C' block links in particular, since the delayed auctions will not allow them to be represented in our coordinated plan at this point. The assurance we require before we can proceed with total system replacement is that those PCS licensees who do agree with and are

represented under this Plan will guarantee the eventual receipt of reimbursement for those links in our system not initially represented under the plan.

Offering a guarantee does not necessarily mean the licensees who participate in the Plan will pay for links which do not affect them. We intend to negotiate with all non-participating licensees, especially those in the 'C' block, requesting the same average link reimbursement that we are asking from the 'A' and 'B' licensees who participate in our plan. Although we cannot guarantee that any unrepresented licensee such as the 'C' licensees will eventually pay their share, we will cooperate in any way we can to assist licensees in receiving downstream reimbursement from any other licensee whose links you have cleared as a result of this guarantee.

Pertaining to the 'C' links, we suggest that each 'A' and 'B' licensee, represented in the Plan, contribute to the guarantee on a pro-rata basis relative to their percentage of A and B license holdings in their MTAs. If WWI is not impacted by any 'C' frequencies in any particular MTA, the 'A' and 'B' licensee would not be required to contribute for that MTA.

As you are aware, the FCC has issued a NoPR that deals with cost-sharing. Depending on the language of the proposed rule and its implementation, a more direct mechanism may be available that eliminates the need for this separate guarantee, while still allowing us to be compensated.

7. A recommended task list and schedule

To implement a Coordinated Relocation Plan within the time frame many of you have requested, we propose the following action items and schedule:

1. We would like to receive your comments to this proposal, in writing, by November 22. Please call Mr. Cunningham, (918) 588-4879, if you have any questions or comments.
2. We will assimilate your comments and issue a final Coordinated Relocation Plan by the first week in December. We will call your contact person to coordinate details as needed.
3. If we need to meet as a group, to finalize the details of the Plan, WWI will schedule a meeting in December. We can meet in person or via video conference.
4. We hope to conclude negotiations by year-end 1995 or soon thereafter. If we conclude an agreement by December 31, we will begin our replacement project in January 1996.

8. Other considerations

We are willing to talk with you independently concerning your possible need for tower and enclosure facilities along our pipelines. We are willing to negotiate whatever space you may need in those places where it is feasible for us to do so.

ATTACHMENT

Sprint Telecommunications Ventures Cash Compensation

Price Per Link: \$450,000

Number of WWI links in your MTAs

- Number of links in your 'A/B' frequency range: 38.0
 - Pro-rata number of Links in the 'C' range: 10.7

Total reimbursement for replacing all 'A/B' links: \$17,100,000

Total guarantee for pertaining 'C' links: \$4,810,500

Your MTAs Traversed by WWI Pipelines	No. of WWI Links in Your 'A/B' Block	No. of WWI Links in the 'C' Block	Percent of WWI Links You Affect (*1)	Pro-rata No. of 'C' Links (*2)
Birmingham	2	3	40%	1.2
Dallas	5	0	100%	0.0
Denver	4	4	67%	2.7
Louisville	6	2	75%	1.5
New Orleans	10	3	63%	1.9
New York	2	0	40%	0.0
San Antonio	1	0	33%	0.0
Wichita	8	9	38%	3.4
TOTAL	38	21		10.69

*1 Ratio of the # of WWI links you affect in MTA vs the # affected by other licensee

*2 The total number of 'C' links in the MTA multiplied by the % of WWI links you affect

Capacity Compensation

As incentive compensation to relocate our 2 GHz microwave systems as quickly as possible, Williams Wireless requests free access and usage of your PCS radio network during off-peak periods. Access will be subject to capacity availability and granted for a set period of time. We intend to offer non-real time data gathering applications which may prove beneficial to us both. We will be happy to discuss these possible applications with you as we proceed with our negotiations.

SPRINT TELECOMMUNICATIONS VENTURE

9221 Ward Parkway, Suite 100

Kansas City, MO 64114

December 13, 1995

S. Miller Williams
Tulsa Union Depot
111 East 1st Street
Tulsa, OK 74103-2808

Dear Mr. Williams:

On behalf of STV I would like to thank you for taking the time to submit a proposal for microwave relocation. We have considered your proposal and have performed a detailed analysis of how it impacts STV both financially and spectrally. Your concerns regarding a coordinated relocation plan have been addressed to the best of our ability.

Proposal

STV has completed a proposal to Williams Wireless, Inc. for microwave relocation. This proposal covers the relocation of 39 co-channel, STV MTA-Block (WirelessCo and PhillieCo), paths and 10.69 pro-rated adjacent-channel, BTA-Block, paths for systemic relocation. Although the relocation of nearly all Williams Wireless' microwave paths are unessential to the buildout of STV's PCS system, we will offer a total payment of \$9,265,048 for the removal of all 49.69 paths. This is offered as a "cash" payment to Williams Wireless, Inc. since WWI intends to perform all the engineering and relocation work. This proposal includes the following concessions to show STV's desire for a good faith negotiation: 1.) Digital upgrade to WWI's system, 2.) Included 10.69 pro-rated BTA and Unlicensed paths in addition to the 39 STV co-channel paths to provide systemic relocation, 3.) Added \$43,100 extra per path for either tower modification, miscellaneous engineering, or premium overhead. In addition STV would like to open negotiations with respect to preferred PCS rate schedules in exchange for tower co-location of STV base station equipment and antennas (where feasible).

Determining Baseline Cost:

STV standard cost estimates for Analog to Digital upgrades follows. Although these quotes lack the benefit of site visits, they provide a quick estimate of actual costs.

The average cost for replacement for the microwave paths with Digital radios was determined to be \$143,357 per path. This includes the following:

- 1.) A digital upgrade with equivalent or greater capacity than existing equipment
- 2.) High performance 6.7 GHz antennas
- 3.) MUX added to DS3 radios (included with others)

SPRINT TELECOMMUNICATIONS VENTURE

9221 Ward Parkway, Suite 100

Kansas City, MO 64114

- 4.) Each radio is equipped with order wire
- 5.) Each radio is equipped to connect to station alarms
- 6.) Jack fields and T-1 patch capability
- 7.) Program management

Items excluded, but that could be provided by the radio manufacturer:

- 1.) AC or DC power requirements
- 2.) Installation and Testing
- 3.) Site cleanup and removal of 2 GHz equipment
- 4.) Tower Analysis (*provided for in \$43,100 extra*)
- 5.) Path Survey (*provided for in \$43,100 extra*)
- 6.) Site Survey
- 7.) Frequency Coordination (*provided for in \$43,100 extra*)
- 8.) Path Calculations for 99.999% reliability design

To the \$143,357 per path, STV added \$1,600 for each path survey, \$1,500 for every frequency coordination, and \$40,000 for either tower modification, channel banks or premium overhead. This brings the TOTAL cost to **\$9,265,048 =>** (\$186,457 per path with 49.69 paths STV responsibility).

Due Dates:

STV agrees to the timeline indicated in the Williams Companies Proposed Coordinated PCS Relocation Plan submitted to STV November 14, 1995.

Please provide us with your comments to our proposal no later than January 5, 1996.

If it is determined that WWI would like to have a meeting with STV individually or with any other PCS licensees present please notify me so that we may attend. An alternative option is to have the PCS licensees work together to provide a systemic solution to WWI. To accomplish this option STV would require a letter from WWI authorizing the licensees to work together in the interest of WWI.

If you have any questions or concerns please do not hesitate to contact me at (816)276-2125 or Lyle Nyffeler at (816)276-2114

Sincerely,



Robert Stedman

Microwave Relocation Manager

RS/mlj

Robert Stedman
Microwave Relocation Manager
Sprint Telecommunications Venture
9221 Ward Parkway, Suite 100
Kansas City, MO 64114

01/02/96

Dear Mr. Stedman:

Thank you for your response to our coordinated relocation plan ('Plan'). I appreciate your willingness to accept the general structure of the Plan. Your response confirms our belief that the most workable and mutually beneficial arrangement between us will only occur if all affected PCS licensees agree to accept their share of the responsibility for the relocation of WWI's microwave system. Although you said in your letter that "nearly all of Williams Wireless' microwave paths are unessential", our data base shows that over half of the paths in STV's MTA blocks affect some major metropolitan area, so we are confident you will find the systemic approach we have proposed to be of service to you in your immediate and long term build out plans.

Once participation is affirmed with the other licensees, we will need to revisit the price issue. Your offer of \$186,457 per link is not sufficient compensation. For 'A' and 'B' links in the MTA blocks along Transco's pipeline in particular, we are still seeking our proposed \$450,000 price per link, at least until widespread participation in the Plan is concluded and we are able to see if we can exercise more flexibility with the average price per link. At that time, I suggest we meet and conclude our agreement on the price per link.

In our discussions with other licensees, several issues have arisen which might be useful in our negotiations. First, we have found that some groups plan to deploy more quickly in cities adjacent to Transco's pipeline. In that case, we have indicated our willingness to prioritize relocation relative to Transco and consider a lesser price, for those links adjacent to Texas Gas and Williams Natural Gas (WNG), as long as we are allowed more time to complete those relocations. Second, to facilitate a quick agreement, we have indicated our willingness to lower the price guarantee for the 'C' links in the MTA blocks affected by Transco to \$400,000 to reflect the reimbursement cap proposed by the FCC.

The final issue regarding the Plan regards access to your PCS network. We will certainly negotiate co-location of base station equipment on our towers. To set the stage for this, I will briefly describe our planned use of your network. We plan to use PCS network capacity to support remote telemetry services for our pipelines and for numerous utility and service companies. The telemetry services will be characterized by fixed location, low daily data volume, non-real time access, and off-peak traffic volumes. The data collection activities will be designed to have minimal impact on your network and usage will be limited to available capacity. We do not want to disrupt your network and or cause you to build new capacity. We are seeking free off-peak access, as well as favorable pricing for possible network capacity during the day. As we proceed to further define the opportunities in the telemetry market, we may wish to explore the possibility of a joint-venture in your operating areas.

In conclusion, my highest priority, in response to your letter, is to encourage all affected licensees to work under the general structure of the Plan as it applies to their MTA and propose a coordinated response to our proposal. This is vital. If we fail to get all ten PCS licensees to agree, or others to guarantee reimbursement for those who refuse to subscribe to the Plan, and if we fail to negotiate reimbursement that provides sufficient



Microwave Relocation - Bad Actor Form

2/21/96

Incumbent Name: **Washington State Patrol**

Market / MTA: **Seattle**

Market freq. block: **B**

Number of paths required for initial system: **10**
Estimated comparable cost per path: **\$220,000**
Total estimated comparable cost: **\$2,200,000**

Number of paths requested by incumbent for relo: **9**
A paths: **1**
B paths: **6**
C - F path: **2**
Non PCS paths:

Per path cost requested by the incumbent: **\$318,513**

Additional payments requested by the incumbent:

Total requested relocation cost by the incumbent: **\$2,866,617**

Chain of events:

<u>Date</u>	<u>Action</u>
11/29/95	MLJ estimates average cost to replace 12 paths at \$113,750 per path with a max of \$150,000
11/30/95	Incumbent requests to deal directly with STV and not with MLJ, STV takes on direct responsibility
12/12/95	STV meets with Incumbent and agrees to a cash payment of approximately \$220,000 per path for 10 paths
12/15/95	STV sends Incumbent list of terms discussed during meeting which Incumbent verbally agrees to.
1/18/96	STV meets with Incumbent to discuss finalizing the contract, Incumbent raises price to \$300,000 per path.
1/25/96	STV sends incumbent letter raising price to \$240,000 per path.
2/2/96	Incumbent rejects STV's offer and raises price to \$318,513 per path.
2/13/96	STV send incumbent letter accepting costs, but reducing number of paths

Additional Comments:

Washington State Patrol does not want tax payers to have to pick up any costs for relocation, but instead want STV to pay for a digital upgrade of their system. Initial offer was for a comparable analog system.

Confidential
BASE COST
State of Washington - Highway Patrol
SEATTLE MTA

No. of Paths to be Relocated by STV: 12

Based on the field visit and discussions with the incumbent, following assumptions have been made:

- 1) 100 ft. of waveguide (average) for each antenna
- 2) 8 ft. antenna for each radio terminal.
- 3) 600 ch. Harris-Farion FAS 6000 Loop Protected (Non Standby) analog radios *Spurs*
- 4) No significant modifications to towers and/or foundations will be required
- 5) All work (engineering and Labor) will be performed by the incumbent.

<u>Equipment List</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost</u>
Harris Farion FAS 6000 Loop Protected Analog Microwave Radio Terminals	24	\$30K	\$720K
Waveguide (Cablewave WEP63 or equivalent)	2400 ft.	\$15/ft	\$36 K
8 Ft. Parabolic Solid Antennas (Cablewave PA8-65 or equivalent)	24	\$4 K	\$96 K
Miscellaneous Hardware	Lot	\$3K / Terminal	\$72 K
Spare, Test Equipment & Training	Lot	\$5 K/ Terminal	\$120 K
Path/System Engineering/Survey		\$10 K/ Path	\$120 K
Installation Labor		\$10 K/ Path	\$120 K
Frequency Coordination/Licensing Fee	24	\$750/Path	\$9 K
Equipment Removal	24	\$3 K / Terminal	\$72 K
Total Base Cost			<u>\$1,365K (*)</u>

(*) Or average \$ 113.75 K per path

Based on the incumbent's desire to use portion of the proceedings from this transaction for its long term digital conversion plan, MLJ/VCI recommends to offer this incumbent \$1,620 K (\$135 K Per Path) as an initial offering, with \$1800K (\$150K per path) to be used as maximum negotiated cost.

**QUEEN ANN - BOTHELL SUBSTATION
MICROWAVE PATH
CITY OF SEATTLE
SEATTLE MTA**

<u>Equipment List</u>	<u>Quantity</u>	<u>Cost</u>
Harris Farinon FAS 6000 Protected Analog Microwave Radio Terminals	2	
Waveguide (Cablewave WEP63 or equivalent)	500 ft.	
8 Ft. Parabolic Solid Antennas (Cablewave PA8-65 or equivalent)/ and required hardware	2	
Miscellaneous Licensing Fee, Air Dielectric	Lot	

SERVICES / LABOR

Tower / Foundation Analysis

Tower / Foundation Modifications

Eng. Design / Equipment Installation

Equipment Removal

Sub- Total

Remove Path in 120 days and file FCC Form 402 (Note 1)

Total Base Cost

\$175 K

Note 1: This cost will be reduced by 25% for each month the project is delayed and the path is remained in service.

Sprint Telecommunications Venture
9221 Ward Parkway, Kansas City, MO 64114

Phone: 816-276-2105
Fax: 816-276-2133

January 3, 1996

Washington State Patrol
Electronic Services Section
2803 156th Avenue SE
Bellevue, WA 98007-6599
Attention: Mr. Roy J. Kittelson
Mr. Patrick E. Buller

Dear Gentlemen:

In response to the action items of our meeting on December 12, 1995, a list of terms discussed follows. If you have questions or comments, please contact Steve Vohs at (913) 624-6723 or Tony Sabatino at (816) 276-2105.

I. Path Description

Group 1

The following paths are subject to reimbursement by STV and are designated to be relocated by Washington State Patrol no later than June 6, 1996:

<u>Path</u>	<u>ID</u>	<u>Site 1</u>	<u>Call Sign 1</u>	<u>Freq. 1</u>	<u>Site 2</u>	<u>Call Sign 2</u>	<u>Freq. 2</u>	<u>Cost</u>	<u>Incentive</u>
4075	1Y	S. Gardiner	WHB473	1885	Gold Mtn.	WPS76	1965	\$187,000	\$5000
4077	1M	Bellvue	KOJ34	1875	Gold Mtn.	WPS76	1935	\$187,000	\$5000
4200	1B	Galbraith Mtn.	KOW59	1935	Little Mtn.	KOJ38	1875	\$187,000	\$5000
4202	4T	Striped Pk.	KCX70	1955	401 E. 8th	KCX72	1875	\$187,000	\$5000

The following paths are subject to reimbursement by STV. Due to technical issues, the Cultus Mtn. site will be abandoned and a new site constructed at a different location. The cost reflects the addition of the new site. Assuming a 1.7 Ghz solution is possible, these paths are designated to be relocated by Washington State Patrol no later than June 6, 1996:

<u>Path</u>	<u>ID</u>	<u>Site 1</u>	<u>Call Sign 1</u>	<u>Freq. 1</u>	<u>Site 2</u>	<u>Call Sign 2</u>	<u>Freq. 2</u>	<u>Cost</u>	<u>Tower</u>	<u>Incentive</u>
4197	4H	Cultus Mtn.	WNTR403	1885	Marysville	WNTR402	1985	\$215,000	\$150,000	\$5000
4198	1H	Cultus Mtn.	WNTR403	1985	Little Mtn.	KOJ38	1885	\$215,000	\$140,000	\$5000

Group 2

The following paths are subject to reimbursement by STV and are designated to be relocated by Washington State Patrol no later than August 30, 1996:

<u>Path</u>	<u>ID</u>	<u>Site 1</u>	<u>Call Sign 1</u>	<u>Freq.</u>	<u>Site 2</u>	<u>Call Sign 2</u>	<u>Freq.</u>	<u>Cost</u>	<u>Incentive</u>
3907	4K	Laguna Rd.	WNTQ639	1875	Beverly	KPH25	1955	\$187,000	\$5000
3920	2D	Pacific Ave.	KCX71	1975	Capitol Pk.	KCX59	1885	\$187,000	\$5000
3928	4P	Capital Pk.		KCX59	1875	Baw Faw	KOJ41	1965	\$187,000
									\$5000
4187	4E	Tunk Mtn.	WGX860	1875	Goat Peak	WNEW822	1955	\$187,000	\$5000

II. Replacement System

Cash payment of \$2,216,000 is offered to Washington State Patrol for the relocation of above listed paths to 6 GHz, with 1.7 Ghz as an alternate, based on comparable replacement values of existing microwave equipment. An incentive of \$5000 per path is offered for paths relocated by the specified date.

III. Relocation Management Program

- Washington State Patrol shall perform the relocation.
- STV has designated a vendor to meet with Washington State Patrol on a regular basis to coordinate and monitor progress. The vendor will report progress to STV.

Sprint Telecommunications Venture
9221 Ward Parkway, Kansas City, MO 64114

Phone: 816-276-2105
Fax: 816-276-2133

IV. Relocation Timing

- Start Date: As soon as possible
- Completion Date: Washington State Patrol agrees to the installation of Group 1 replacement paths by June 6, 1996 and Group 2 replacement paths by August 30, 1996.
- Final Sign Off: On June 6, 1996, STV will obtain the right to interfere with Group 1 paths regardless of path status. On August 30, 1996, STV will obtain the right to interfere with Group 2 paths regardless of path status.
- Washington State Patrol will provide information to STV for completion and submittal of FCC 402 forms.

V. Cash Payment net 30 Days

- 1/3 of total after execution of Contract between STV and Washington State Patrol.
- 1/3 of total upon completion of path relocation.
- 1/3 of total and applicable incentive on Final Sign Off Date.

Sincerely,

Tony Sabatino
STV Senior Microwave Relocation Engineer
Western Region

cc: Bob Stedman

STV - Washington State Patrol
J & S Project No. 96-102
January 23, 1996

MEETING MEMORANDUM

A meeting was held on January 18, 1996, in the Washington State Patrol (WSP) offices in Bellevue, Washington, to discuss microwave relocation work to be performed by the Patrol. Attendees were as follows:

SPRINT TELECOMMUNICATIONS VENTURE (STV):

Steve Vohs	(913) 624-6723
John Chapman (via speaker phone)	

WASHINGTON STATE PATROL:

Carol Smith - Assistant Attorney General	(360) 753-4556
Jim Stuart - Contracts Manager	(360) 753-6550
Patrick Buller - Electronic Design Engineer	(206) 649-4679
Ross Morris	(206) 649-4666

J & S ASSOCIATES, INC.:

Jon Schottler 	(913) 362-0920
Dean Riedel	(913) 362-0920

Carol Smith opened the meeting stating that the WSP was previously not aware of the amount of work associated with the microwave relocation. Their current cost estimate to perform the relocation work for the 10 paths is \$3,000,000. Carol explained that the State Legislative Transportation Committee must authorize all expenditures. She said there is no way the State will cover any relocation costs, therefore, sufficient monies must be included in the Agreement with STV. Carol stated that the political climate toward this work is not favorable in the state legislature, since the federal government mandated this microwave relocation.

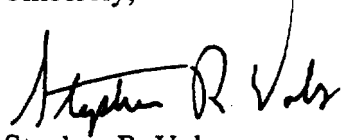
The WSP explained that they will perform all relocation work themselves. The system will be an overbuild, loop system, converted from analog to digital. They are proposing to use Harris equipment.

Sprint Telecommunications Venture

4121 W. 83rd Street, Prairie Village, KS 66208

If you have any questions regarding our position, please feel free to call Steve Vohs at (913)385-1627. We look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen R. Vohs". The signature is fluid and cursive, with the first name "Stephen" and last name "Vohs" clearly distinguishable.

Stephen R. Vohs

Microwave Relocation Engineer

cc: Patrick E. Buller (Washington State Patrol)
Ross Morris (Washington State Patrol)
Carol A. Smith (Assistant Attorney General, State of Washington)
Robert Stedman
Don Mueller
Ken Cashman

Sprint Telecommunications Venture
9221 Ward Parkway, Kansas City, MO 64114

Phone: 913-385-1627

Fax: 913-385-1399

January 30, 1996

Washington State Patrol
Budget & Fiscal Services
PO Box 42602
Olympia, WA 98504-2602
Attention: Lieutenant Jim Stuart

Dear Lieutenant Stuart:

In response to our meeting on January 18, 1996, STV believes the original pricing agreed to on December 12, 1995 was negotiated in good faith and was of mutual benefit to both parties. STV is disappointed that this equitable financial offer was not accepted, based upon your unsubstantiated counter-offer for \$3 million.

We have yet to receive your detailed cost breakdown justifying your increase. We, on the other hand, have learned through our cost sharing agreement with Western Wireless, you negotiated a price of \$150,000 per path for paths Kalama to Baw Faw and Kalama to Naselle. STV feels the price we negotiated of \$187,000 per path was more than adequate to provide a comparable system.

Although we are disappointed with our most recent meeting, in order expedite an agreement, STV is willing to increase our cash payment to you by \$284,000 from \$2,216,000 to \$2,500,000. The incentive, timeline and associated 'Right to Interfere' will remain unchanged. This offer exceeds comparable relocation costs by a wide margin.

We consider this offer fair and equitable, providing more compensation for microwave path relocation than projected costs. We look forward to meeting with you directly to complete this agreement for the benefit of both parties. If you have any questions to the above offer, please call Steve Vohs at (913)385-1627.

Sincerely,



Stephen R. Vohs
Microwave Relocation Engineer

cc: Patrick E. Buller (Washington State Patrol)
Ross Morris (Washington State Patrol)
Carol A. Smith (Assistant Attorney General, State of Washington)
Robert Stedman
Don Mueller
Ken Cashman